

STEERING, LEGISLATIVE & GOVERNMENTAL COMMITTEE

March 11, 2014

5:30 p.m.

Courthouse

MINUTES:

MEMBERS PRESENT:

Commissioner Jack Black
Commissioner Gary Farley
Commissioner Trey Gooch
Commissioner Jeff Jordan
Commissioner Allen McAdoo
Commissioner Steve Sandlin
Commissioner Adam Coggin, C

OTHERS PRESENT:

Ernest Burgess Lisa Nolen
Sonya Stephenson Jeff Sandvig
Phil Griffin Doug Shaffer
Sam Stockard Laura Bohling
Heather Dawbarn Virgil Gammon
Veronica Buchanan Egon Grissom
Melanie Meshotto John Bratcher
Lisa Marchisoni Paul Tucker
Joanne Skidmore Becky Shelton

Chairman Coggin presided and called the meeting to order at 5:30 p.m. with all members being present at that time.

MINUTES:

"Commissioner Gooch moved, seconded by Commissioner Farley, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

ANNOUNCE FOUR (4) VACANCIES ON EQUALIZATION BOARD:

Chairman Coggin advised the positions of Tim Rudd, David Adams, Edmond Deslatte and James Baker on the Equalization Board were expiring and accordingly being announced.

ANNOUNCE VACANCY ON SCHOOL BOARD TO FILL UNEXPIRED TERM OF HELEN BLANKENSHIP:

Chairman Coggin advised a vacancy on the School Board was being announced to fill the unexpired term of Helen Blankenship which is for Commission Districts 4, 6 and 7. The Commission will appoint someone to fill the position until the election in August, 2014 at which time someone will be elected to fill the remainder of the term until August, 2016. Anyone interested in running for the position will have to qualify by April 3 to be in the August election. The Committee discussed it will recommend three or less candidates to the Commission but others could be nominated from the Commission floor.

TCRS RETIREMENT PLAN DISCUSSION FOR COUNTY GENERAL FULL-TIME EMPLOYEES AND SCHOOL BOARD CLASSIFIED FULL-TIME EMPLOYEES:

HR Director Sonya Stephenson reminded the Committee the TCRS retirement plan was discussed in the last budget session and she had researched and brought information on the history and current status of TCRS. The cost for the current pension for County General employees is \$5,300,000 and Board of Education is \$16,700,000 annually funded by the County. Ms. Stephenson discussed what would cause the pension liability to increase, potential increased costs, liability and the risk on the County's credit ratings. Ms. Stephenson provided information on the different types of retirement plans including defined benefits like TCRS and defined contributions such as a 401k. The Committee was advised the terms of the current TCRS plan as well as what the State, City of Murfreesboro, Smyrna and LaVergne have for their employees. Ms. Stephenson provided four options Rutherford County could consider if it chose to stay in TCRS. The State is going forward with the TCRS Hybrid 2014 version for State employees and teachers.

The Committee discussed if the County changed the benefit package it may need to raise salaries to offset the change. The County benefit package helps with retention and recruitment and has

helped stop the employee turn over at the Sheriff's Department.

If an employee dies before they retire the money remains in TCRS but if the employee has retired then the beneficiaries will inherit.

Any changes made to the employee retirement program would not affect employees on the current plan and would only apply to future new hires.

The School Board voted February 20, 2014 to recommend to the Commission that the Legacy TCRS Retirement Plan be adopted for Rutherford County Schools full-time, classified employees hired after June 30, 2014 with these employees contributing 2.5% of their pay towards retirement and having a ten year vesting period if the Commission decided to make a change from the current retirement option but the School Board's preference is no change.

Ms. Stephenson provided alternate recommendations for the County general and Board of Education classified employees hired on or after July 1, 2014 and provided the cost of each option as of July 1, 2014. Mayor Burgess and Ms. Stephenson advised they are not suggesting having the hybrid plan.

Any change would apply to new hires and Ms. Stephenson advised her department tries to send an acceptance letter to new employees that sets out benefits.

Commissioner Farley advised for retention and recruitment purposes, any change would be detrimental.

"Commissioner Farley moved, seconded by Commissioner Sandlin, to stay the course with no change to the retirement plan. The motion failed with Commissioners Farley, Sandlin and J. Jordan voting "yes" and Commissioners Black, McAdoo, Gooch and Coggin voting "no".

Commissioner McAdoo advised due to the magnitude of the issue he wanted to defer the vote. Commissioner J. Jordan advised he wanted a month to look over the information as the plan could potentially be improved. Commissioner Sandlin advised years ago the Commission had no raises to offer and the benefit was all the employees had.

Commissioner Gooch advised he would like to see assumptions over 30 years put in conservative funds and see what 30 years of investing gives someone. Ms. Stephenson will work on this.

Ms. Stephenson advised Sheriff Arnold will be bringing information on supplemental benefits he would like to have for his officers and paid firefighters that will be in addition to the current plan.

Commissioner Farley asked for a survey of employees on their thoughts about changing the plan. Ms. Stephenson will ask those hired in 2013 if the change would have made a difference in whether they came to work for the County.

Chairman Coggin asked if changed what would happen to the net pension liability.

There appearing to be no further business to come before the Committee, Chairman Coggin declared the meeting adjourned at 7:10 p.m.

ADAM COGGIN, Chairman